

12 JUN 1979

MEMORANDUM FOR: Executive Committee Members

FROM : [REDACTED]  
Secretary, Executive Committee

SUBJECT : Minutes of Executive Committee Meeting,  
6 June 1979

1. Mr. Carlucci chaired the 6 June Executive Committee meeting on the Civil Service Reform Act. (Mr. Waller attended as an observer.)

2. [REDACTED] (Office of Personnel) focused his briefing on Title IV of the Act, the Senior Executive Service (SES). CIA, like NSA and DIA, is exempt from the Act but has a task force considering whether or not it should adopt features of the SES and the merit pay system. Highlighting the main SES provisions, [REDACTED] noted that the SES will include managers and supervisors presently at GS-16 through Executive Level IV and will consist of career reserved (filled only by career appointments) and general (filled by career, noncareer--not to exceed 10 percent of the total--and limited appointment) positions. Current supergrades have until July to decide whether or not to join. After 15 July, they will have to compete with other candidates, from within their agencies, noncovered agencies, and the outside, and have their managerial qualifications reviewed by the Office of Personnel Management (OPM). The five or more basic pay levels range from a minimum of the first step of a GS-16 to a maximum of an Executive Level IV. The current (January 1979) Presidential Basic Pay Plan proposal to Congress to be effective 1 October 1979 ranges from \$44,756 to \$52,800.

3. Fifty percent of an Agency's SES executives may be awarded a performance award once a year for "fully successful performance" of up to 20 percent of their basic pay. Five percent per year may be given the rank of Meritorious Executive and receive a one-time lump sum payment of \$10,000; 1 percent per year may be given the rank of Distinguished Executive and receive a one-time lump sum payment of \$20,000. Career executives may receive each of these ranks only once in a five-year period. Last week OPM ruled that Agency heads could use their authority under the Administrative Authorities Act to grant performance awards to noncareer appointees. Basic pay, performance awards, and rank payments for any executive may not exceed the pay of an Executive Level I (currently \$66,000). Other SES benefits include unlimited annual leave accruals and sabbaticals for up to 11 months during any 10-year period.

STATINTL

4. [REDACTED] then explained the new performance appraisal system geared toward tying SES performance levels to pay levels. The primary elements of the system include:

- performance requirements defined in terms of organizational and individual goals;
- definitions of critical job elements and performance standards;
- three levels of performance (fully successful, minimally satisfactory, and unsatisfactory); and
- five performance criteria (productivity enhancements, cost efficiency, etc).


He noted that the new CIA performance appraisal system could meet the requirements of the SES system.

5. During the ensuing discussion, [REDACTED] said that OMB <sup>STATINTL</sup> revised legislation drafted by NSA for a Senior Cryptological Service to include a Senior Intelligence Executive Service for NSA, DIA, and CIA. The Committee agreed that the Agency should develop an equivalent to the SES but preferred doing so under the Director's authorities rather than by legislation. Mr. Carlucci suggested that the task force presently considering the pros and cons of an SES shift its focus to questions of designing and implementing such a system. Noting the potential implementation difficulties, Mr. Carlucci asked Messrs. Wortman and Fitzwater to advise him what resources they would need. Mr. Fitzwater suggested that from a morale standpoint, the merit pay system for GS-13 to GS-15s should be considered as well. The Committee agreed to discuss that at its next session.

6. Various potential problem areas in designing and implementing an Agency version of the SES were surfaced:

- How much should it deviate from the Civil Service SES?
- Should it be managed on a centralized or decentralized basis?
- How can the expected intensified pressures for uniform equity across the directorates be met?
- To what extent will evaluation procedures have to be revamped?
- Will employees refuse assignments not likely to lead to bonuses?
- What criteria need to be developed for performance awards and bonuses?

7. Mr. Taylor asked how the executive development program recommended by NAPA related to an Agency version of the SES. Mr. Carlucci advised that the SES system that is developed will serve as the framework for the executive development program. He asked Mr. Fitzwater to ensure that the SES task force include OLC and OGC in its deliberations. Mr. Carlucci adjourned the meeting. STATINTL



cc: Inspector General  
D/Personnel